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# A BILL FOR AN ACT

RELATING TO WATER COMMON CARRIERS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Section 271G-17.5, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           " ~~[+] §271G-17.5 [+] Issuance of securities [~~~~execution of~~  
4 ~~leases]~~. A water common carrier may, on securing the prior  
5 approval of the public utilities commission, and not otherwise,  
6 issue stocks and stock certificates, bonds, notes, and other  
7 evidences of indebtedness, payable at periods of more than  
8 twelve months after the date thereof, ~~[and enter into long term~~  
9 ~~leases of more than three years and leverage leases,~~] for the  
10 following purposes and no other, namely:

- 11           (1) For the acquisition of property; ~~[e]~~
- 12           (2) For the construction, completion, extension, or  
13           improvement of or addition to its facilities or  
14           service; ~~[e]~~
- 15           (3) For the discharge or lawful refunding of its  
16           obligations; or



1           (4) For the reimbursement of moneys actually expended from  
2           income or from any other moneys in its treasury not  
3           secured by or obtained from the issue of its stocks or  
4           stock certificates, or bonds, notes, or other  
5           evidences of indebtedness, for any of the aforesaid  
6           purposes, except maintenance of service, replacements,  
7           and substitutions not constituting capital expenditure  
8           in cases where the water carrier has kept its accounts  
9           for ~~[such]~~ expenditures in ~~[such]~~ a manner as to  
10          enable the commission to ascertain the amount of  
11          moneys so expended and the purposes for which the  
12          expenditures were made, and the sources of the funds  
13          in its treasury applied to the expenditures.

14          As used herein, "property" and "facilities" mean property  
15          and facilities used in all operations of a water carrier whether  
16          or not included in its regulated operations or rate base. A  
17          water carrier may not issue securities ~~[nor enter into long term~~  
18          ~~leases of more than three years and leverage leases,]~~ to acquire  
19          property or to construct, complete, extend or improve or add to  
20          its facilities or service, if the commission determines that the  
21          proposed purpose will have a material adverse effect on its



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1 operations. No carrier shall repurchase or reissue its own  
2 common stock without prior commission approval.

3 All stock and every stock certificate, and every bond,  
4 note, or other evidence of indebtedness of a water carrier not  
5 payable within twelve months, issued without an order of the  
6 commission authorizing the same, then in effect, shall be void.

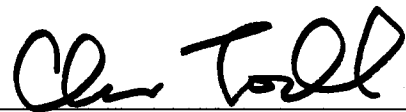
7 ~~[In addition, all long term leases of more than three years and  
8 all leverage leases entered into by a water carrier without an  
9 order of the commission authorizing the same then in effect  
10 shall be void.] "~~

11 SECTION 2. Statutory material to be repealed is bracketed  
12 and stricken. New statutory material is underscored.

13 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY:



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**Report Title:**

Common Carriers; Water Carriers; Public Utilities Commission;  
Long Term Leases

**Description:**

Removes the requirement that water common carriers secure prior approval of the Public Utilities Commission to enter into long term leases of more than three years and leverage leases.

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